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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/537,145	06/02/2005	Apputhurai Chandrakumar	CHANDRAKUMAR ET AL-1 PCT	1189
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COLLARD & ROE, P.C. 1077 NORTHERN BOULEVARD ROSLYN, NY 11576			MERCHANT, SHAHID R	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/537,145

Applicant(s)

CHANDRAKUMAR ET AL.

Examiner

SHAHID R. MERCHANT

Art Unit

3694

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 02 June 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-99 is/are pending in the application.
- 4a) Of the above claim(s) 1-80 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 81-99 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All b) ☐ Some * c) ☐ None of:
1. ☒ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SI/22)
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date: _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____
- Paper No(s)/Mail Date: _____

DETAILED ACTION

Priority

1. Examiner has given consideration to applicant's filing of application 0228165.7 on December 3, 2002 in Great Britain. For examining purposes of this application, the effective filing date will be December 3, 2002.

Status of the Claims

2. This action is in response to the amendment filed on June 2, 2005.
 - Claims 1-99 are pending.
 - Claims 1-80 have been cancelled.
 - Claims 81-99 are new claims.

Specification

3. The abstract of the disclosure does not commence on a separate sheet in accordance with 37 CFR 1.52(b)(4). A new abstract of the disclosure is required and must be presented on a separate sheet, apart from any other text.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

5. Claims 81-95 and 99 rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Applicant presents numerous instances of "means for" language throughout the claims, however Examiner could not find any support for the "means for" language in the specification.

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. Claims 81-99 rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

8. Claims 81 and 83 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential structural elements, such omission amounting to a gap between the necessary structural connections. See MPEP § 2172.01. Claims 81 and 83 recite numerous instances of "means for" and "means to" language throughout the claims, however Examiner could not find any support for the "means for" language in the specification and thus can not determine what the structure of the system is. Subsequently, the system has no structural recitation within the claims to support it in a way that would define the system claimed.

9. Claims 81-84 rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: identifying a subscriber. Applicant recites in claim 81 that "the number of bids that can be made by an identified subscriber." However, Examiner could not find any previous step of actually identifying a subscriber. In addition, Examiner could not find any previous step of actually identifying a subscriber in claims 82-84.
10. Claim 84 recites the limitation "said site" in lines 2-3. There is insufficient antecedent basis for this limitation in the claim.
11. Claim 87 recites the limitation "said winning bid" in line 5. There is insufficient antecedent basis for this limitation in the claim.
12. Claim 88 recites the limitation "said site" in line 2. There is insufficient antecedent basis for this limitation in the claim.
13. Claim 88 rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: identifying a fungible object. Applicant recites in claim 88 that "adapted to allow bidding for a separate identified fungible object." However, Examiner could not find any previous step of actually identifying a fungible object.
14. Regarding claims 81-95 and 99, Applicant asserts that the claim elements "means to limit", "data handling means", "means to facilitate", "means to ensure", "means to specify", "means to provide", "checking means", "means to check", "means

to calculate", "means to note" and "means to compare" are means (or step) plus function limitation that invokes 35 U.S.C. 112, sixth paragraph. However, it is unclear whether the claim elements are a means (or step) plus function limitation that invokes 35 U.S.C. 112, sixth paragraph, because "means for..." is not recited. If applicant wishes to have the claim limitation treated under 35 U.S.C. 112, sixth paragraph, applicant is required to:

(a) Amend the claim to include the phrase "means for" or "step for" in accordance with these guidelines: the phrase "means for" or "step for" must be modified by functional language and the phrase must **not** be modified by sufficient structure, material, or acts for performing the claimed function; or

(b) Show that the claim limitation is written as a function to be performed and the claim does **not** recite sufficient structure, material, or acts for performing the claimed function which would preclude application of 35 U.S.C. 112, sixth paragraph. For more information, see MPEP § 2181.

15. Regarding claims 81-95 and 99, claim elements "means for limiting", "means for running", "means to limit", "data handling means", "means to facilitate", "means to ensure", "means to specify", "means to provide", "checking means", "means for giving", "means to check", "means to calculate", "means for allowing", "means for holding", "means for establishing", "means for controlling", "means to note" and "means to compare" are means (or step) plus function limitation that invokes 35 U.S.C. 112, sixth paragraph. However, the written description fails to disclose the corresponding structure, material, or acts for the claimed function.

Applicant is required to:

(a) Amend the claim so that the claim limitation will no longer be a means (or step) plus function limitation under 35 U.S.C. 112, sixth paragraph; or

(b) Amend the written description of the specification such that it expressly recites what structure, material, or acts perform the claimed function without introducing any new matter (35 U.S.C. 132(a)).

If applicant is of the opinion that the written description of the specification already implicitly or inherently discloses the corresponding structure, material, or acts so that one of ordinary skill in the art would recognize what structure, material, or acts perform the claimed function, applicant is required to clarify the record by either:

(a) Amending the written description of the specification such that it expressly recites the corresponding structure, material, or acts for performing the claimed function and clearly links or associates the structure, material, or acts to the claimed function, without introducing any new matter (35 U.S.C. 132(a)); or

(b) Stating on the record what the corresponding structure, material, or acts, which are implicitly or inherently set forth in the written description of the specification, perform the claimed function. For more information, see 37 CFR 1.75(d) and MPEP §§ 608.01(o) and 2181.

16. Claims 96-98 recite a method for conducting electronic commerce, however the body of the claims do not contain any hardware, computers or processors that would indicate how the electronic commerce is being conducted.

Claim Rejections - 35 USC § 101

17. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

18. Regarding claims 81-95 and 99, Applicant recites a "system comprising:..." however, there does not appear to be any computer related hardware or devices or specific structure in the body of the claim. Software alone in an apparatus claim prevents the claim from falling into one of the statutory categories of invention (see MPEP 2106.01).

19. Claims 96-98 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilski et al, 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

Here, applicant's method steps fail the first prong of the new Federal Circuit decision since they are not tied to a machine and can be performed without the use of a particular machine. Thus, claims 96-98 are non-statutory since they may be performed within the human mind.

The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101. Note the Board of Patent Appeals Informative Opinion *Ex parte* Langemyr.

Claim Rejections - 35 USC § 103

20. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

21. Claims 81-84, 96-97 and 99 rejected under 35 U.S.C. 103(a) as being unpatentable over Singapore Chit Funds Act (see PTO-892, Ref. U). Hereinafter Chit Funds.

22. As per claim 81, Chit Funds teaches a system comprising:

- a) a facility for bidding; and
- b) a limit condition means for limiting the number of bids that can be made by an identified subscriber (see sections 24 and 26-27).

Chit Funds does not explicitly teach a computerized system. Examiner notes that it was known at the time of the invention that merely providing an automatic means to replace a manual activity which accomplishes the same result is not sufficient to distinguish over the prior art, *In re Venner*, 262 F.2d 91, 95, 120 USPQ 193, 194 (CCPA 1958).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to automate or computerize the system of claim 81 because this would speed up the process in general, which is purely known, and an expected result

from automation of what is known in the art. See *KSR International Co. v. Teleflex Inc.*, 82 USPQ2d 1385 (2007).

23. As per claim 82, Chit Funds teaches the system of claim 81 as described above. Chit Funds further teaches comprising a) means for running a subscription and bidding facility for at least one set of subscribers to the facility; and b) means to limit the number of successful bids that can be made by an identified subscriber in said at least one set of subscribers (see sections 24 and 26-27).

24. As per claim 83, Chit Funds teaches a system adapted to run a bidding facility having a data handling means that is adapted to run a subscription and bidding facility for at least one set of subscribers to the facility comprising:

a) means to facilitate a string of successive bidding occasions and to ensure that during each of said successive bidding occasions only one successful bid is allowed;

b) means to ensure that a subscription occasion precedes each bidding occasion; and

c) means to specify a number characteristic for a set, to specify this as a number of successive bidding occasions constituting a chain of such occasions within said string, to associate an identified subscriber with said chain, and to check that guarantees with respect to each subscriber have been made for subscribing for that chain, and to ensure that the subscriber's subscription expires at the end of said chain (see sections 24 and 26-27).

Chit Funds does not explicitly teach a computerized system. Examiner notes that it was known at the time of the invention that merely providing an automatic means

to replace a manual activity which accomplishes the same result is not sufficient to distinguish over the prior art, *In re Verner*, 262 F.2d 91, 95, 120 USPQ 193, 194 (CCPA 1958).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to automate or computerize the system of claim 83 because this would speed up the process in general, which is purely known, and an expected result from automation of what is known in the art. See ***KSR International Co. v. Teleflex Inc.*, 82 USPQ2d 1385 (2007)**.

25. As per claim 84, Chit Funds teaches the system of claim 82 as described above. Chit Funds further teaches a secure entry for said at least one set of subscribers to said site and wherein said means to limit the number of successful bids includes a facility to ensure that an identified subscriber who has made winning bids a predetermined number of times cannot subsequently make a successful bid (see section 24).

26. As per claim 96, Chit Funds teaches a method for conducting electronic commerce involving the exchange of investments and borrowing among a plurality of network registrants, the method comprising:

- a) accepting from a plurality of network registrants different offers of investments;
- b) auctioning groups of one or more investment offers among said network registrants;
- c) receiving from at least one of said network registrants a bid for a borrowing of said group; and

d) ensuring that not more than a predetermined number of bids is successful from said at least one registrant taken from a plurality of network registrants (see paragraphs 24 and 26-27).

Chit Funds does not explicitly teach a computerized system. Examiner notes that it was known at the time of the invention that merely providing an automatic means to replace a manual activity which accomplishes the same result is not sufficient to distinguish over the prior art, *In re Venner*, 262 F.2d 91, 95, 120 USPQ 193, 194 (CCPA 1958).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention to automate or computerize the method of claim 96 because this would speed up the process in general, which is purely known, and an expected result from automation of what is known in the art. See ***KSR International Co. v. Teleflex Inc.*, 82 USPQ2d 1385 (2007)**.

27. As per claim 97, Chit Funds teaches the method of claim 96 as described above. Chit Funds further teaches the step of ensuring that a bidder is not allowed to have more than a predetermined number of successful bids (see paragraph 24).

28. As per claim 99, Chit Funds teaches the system of claim 81 as described above. Chit Funds further teaches a) means to note the identification of a subscriber inputting a value; b) means to limit the number of such values input by said subscriber; and c) means to compare different values and to choose one of these values according to a rule in the manner of an auction (see section 24).

29. Claims 85-87 and 94-95 rejected under 35 U.S.C. 103(a) as being unpatentable over Singapore Chit Funds Act (see PTO-892, Ref. U) in view of Offer, U.S. Patent Application Publication 2002/0010675 (see PTO-892, Ref. A).

30. As per claim 85, Chit Funds teaches the system of claim 84 as described above. Offer teaches means to provide an electronic site with a facility to check that a subscriber to the site has provided a guarantee of making subscriptions with respect to a predetermined number of subscription occasions (see paragraphs 10-11 and 33-35).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Chit Funds and Offer to provide an electronic site to check that a subscriber to the site has provided a guarantee because it reduces risk and additional cost incurred by the auction supplier and the auctioneer as taught by Offer (see paragraph 6).

31. As per claim 86, Chit Funds teaches the system of claim 83 as described above. Offer teaches a guarantee checking means adapted to check, before a subscriber is allowed to bid, that said subscriber is creditworthy, and can guarantee for continuing to subscribe on all subsequent bidding occasions of a predetermined number after the subscriber has won, and a means for giving the subscriber a pre-authorization to bid (see paragraphs 10-11 and 33-35).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Chit Funds and Offer to check the creditworthiness of a subscriber because it reduces risk and additional cost incurred by the auction supplier and the auctioneer as taught by Offer (see paragraph 6).

32. As per claim 87, Chit Funds and Offer teach the system of claim 86 as described above. Chit Funds teaches means to check that a winning subscriber is adequately guaranteed, means to calculate any tax or other pre-arranged deduction, and means to calculate any winnings to be paid out to him and any part or parts of said winning bid to be paid out to each subscriber (see paragraphs 24 and 30).

33. As per claim 94, Chit Funds teaches the system of claim 81 as described above. Offer teaches means for establishing and registering a credit limit for a subscription (see paragraphs 10-11 and 33-35).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Chit Funds and Offer to establish and register a credit limit for a subscription because it reduces risk and additional cost incurred by the auction supplier and the auctioneer as taught by Offer (see paragraph 6).

34. As per claim 95, Chit Funds and Offer teaches the system of claim 94 as described above. Offer teaches means for controlling a preauthorization for a subscriber for a subdivision in dependence upon a credit limit for the subscriber and credit limits for that subdivision and for all other subdivisions for which the subscriber is pre-authorized (see paragraphs 10-11 and 33-35).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Chit Funds and Offer to preauthorize a subscriber depending on a credit limit because it reduces risk and

additional cost incurred by the auction supplier and the auctioneer as taught by Offer (see paragraph 6).

35. Claims 88-92 rejected under 35 U.S.C. 103(a) as being unpatentable over Singapore Chit Funds Act (see PTO-892, Ref. U) in view of Moshal, U.S. Patent Application Publication 2001/0042041 (see PTO-892, Ref. B).

36. As per claim 88, Chit Funds teaches the system of claim 81 as described above. Moshal teaches means to provide said site with a plurality of subdivisions each adapted to allow bidding for a separate identified fungible object (see paragraphs 44 and 51-52).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Chit Funds and Moshal to run a plurality of auctions concurrently because it allows for continuous auctions and high transaction volume capacity as taught by Moshal (see paragraph 38).

37. As per claim 89, Chit Funds and Moshal teach the system of claim 88 as described above. Chit Funds teaches means to ensure that a subdivision is not first opened for bidding until it has a specified number of subscribers, and then opening said subdivision for only those subscribers and then only for a specified number of bidding occasions (see paragraph 24).

38. As per claim 90, Chit Funds teaches the system of claim 89 as described above. Chit Funds teaches means to ensure that a subscriber has completed subscribing for the specified number of successive bidding occasions regardless of when that subscriber subscribes to that subdivision (see paragraph 24).

39. As per claim 91, Chit Funds teaches the system of claim 90 as described above. Chit Funds teaches means to ensure that once a subscriber has completed subscribing for the specified number of bidding occasions, his subscription expires (see paragraph 24).

40. As per claim 92, Chit Funds teaches the system of claim 91 as described above. Chit Funds does not explicitly teach means for allowing a subscriber to have a maximum of two subscriptions running at the same time for a same fungible object. Examiner notes that the applied reference has been interpreted and applied assuming basic knowledge of one of ordinary skill in the art. According to *in re Jacoby*, 135 USPQ 317 (CCPA 1962), the skilled artisan is presumed to know something more about the art than only what is disclosed in the applied references. Also, in *In re Bode*, 193 USPQ 12 (CCPA 1977), the court found that every reference relies to some extent on knowledge of persons skilled in the art to complement that, which is disclosed therein. As applied to Chit Funds, it is within the basic knowledge of a skilled artisan that limits be placed on subscriber's to ensure that subscribers do not over extend themselves while bidding. See ***KSR International Co. v. Teleflex Inc.*, 82 USPQ2d 1385 (2007)**.

41. Claim 93 rejected under 35 U.S.C. 103(a) as being unpatentable over Singapore Chit Funds Act (see PTO-892, Ref. U) in view of Moshal, U.S. Patent Application Publication 2001/0042041 (see PTO-892, Ref. B) and further in view of Offer, U.S. Patent Application Publication 2002/0010675 (see PTO-892, Ref. A).

42. As per claim 93, Chit Funds and Moshal teach the system of claim 92 as

described above. Offer teaches means for holding a financial account to obtain a guaranteed payment from the financial account in respect to the subscription occasion.

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Chit Funds, Moshal and Offer to hold a financial account of a subscriber to obtain a guaranteed payment because it reduces risk and additional cost incurred by the auction supplier and the auctioneer as taught by Offer (see paragraph 6).

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to SHAHID R. MERCHANT whose telephone number is (571)270-1360. The examiner can normally be reached on First Friday Off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell can be reached on 571-272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic

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Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Shahid R Merchant/
Examiner, Art Unit 3694